COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION
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April 4, 2002

Before the Federal Communications Commission
Washington, DC 20554

In the Matter of:	)	
	)	
Schools and Libraries Universal	)	CC Docket No. 02-6
Service Support Mechanism	)	

COMMENTS SUBMITTED BY THE PENNSYLVANIA DEPARTMENT OF EDUCATION

INTRODUCTION

On behalf of the schools and libraries in the Commonwealth of Pennsylvania, we would like to thank the Federal Communications Commission (Commission) for this opportunity to comment on the proposed changes to the E-rate program as well as for inviting comments on other issues not specifically raised in the Notice of Proposed Rule Making (NPRM).

Pennsylvania has 1.814 million public school students in 659 school districts, vocational technical schools and charter schools; 327,000 nonpublic private school students in 2650 nonpublic schools; and 613 public libraries. In 1997, the Pennsylvania Department of Education devoted a staff member virtually full-time to assist schools and libraries with the complex rules regarding the E-rate program and to serve as a liaison with the federal officials implementing the program. In all, PA has been committed $253 million in the first four years of the program.

While we look forward to several of the proposed improvements to the program, we first would like to acknowledge some of the most recent applicant-friendly decisions the Schools and Libraries Division of the Universal Service Administrative Company (SLD) and Commission have made that greatly improved the program. These include the following:

- Liberalizing the SPIN change policy
- Allowing applicants to view the status of their 471 applications

- Creating an online funding commitment search function
- Enabling the functionality of the 471 to copy Block 4's from previous years
- Extending appeal deadline and permitting electronically filed appeals
- Moving from a received date to a postmark date for all forms
- Posting SPIN numbers to the SLD website
- Enacting a Good Samaritan Policy in cases where vendors cannot remit reimbursements
- Permitting electronic certification of forms

We believe that these decisions have made a significant improvement to the program and applaud both the Commission and the SLD for their efforts.

FOCUSED NPRM COMMENTS

1) Posting of Pre-approved Product List

The eligible services list as it exists today is immense and quite difficult for the average E-rate applicant to understand and state-level coordinators to explain. We have understood for three years that a Program Integrity Assurance (PIA)-only list exists containing approved products and services and is what each entity's Form 471 Description of Services is judged against. If such a list exists, we believe it should be made available to applicants.

Pennsylvania further believes that the list should be incorporated into the online 471, if done so under certain conditions. Currently, applicants are asked to submit Item 21 attachments describing in detail the services or products for which they are seeking discounts. Although asked for repeatedly, the SLD has not provided applicants with a standard list of what is required in these attachments, and consequently, most applicants receive calls asking for additional details regarding their descriptions. In fact, in a recent informal survey of E-rate applicants in Pennsylvania, most found the Item 21 attachment telephone calls as the most frustrating aspect of the program, as reviewers often call repeatedly for the same information, ask for justification for very minor charges, or the applicant finds themselves providing a technology lesson to the assigned reviewer.

If the online list of eligible products/services would replace the Item 21 attachments as well as virtually all service-related calls to applicants, it is worth the effort to maintain and publish the list and we would strongly support it. To ensure fairness, there would need to be an "other" choice where applicants could enter a product or service they believed to be eligible but which was not included in the list.

Just as we know there is a PIA-only eligible services/product list, we also believe there is a formal process by which vendors can have products and services reviewed by the SLD to determine their eligibility. This process also would need to be formalized and made available to applicants in order to not discriminate against lesser-known products. Decisions on such reviews would need to be made on a rolling basis, but no less than once a month, in order to stay current with emerging technologies.

As far as how to ensure that products only are used for eligible purposes, this is actually a problem with the current eligible services list. In the column that lists whether a service/product is eligible or not, there is no explanation of why it is considered conditional. In the broadest sense, all products and services are conditional. Therefore, whether the online eligible product list is made public or the current eligible services list simply remains, there needs to be a brief paragraph listing why a certain product or service is "conditional."

2) Eligibility of Bundled Internet Access

We believe the original intent of the Commission's decision to not fund privately-owned WANs was two-fold: the program's resources could not withstand funding large, privately-owned state networks; and the Commission believed strongly in the build-out of a public infrastructure that could be used by more than just schools and libraries to benefit the public at-large.

The Tennessee decision deviated from the Commission's original decision as it allowed that if the applicant needed to lease a WAN from a provider not on the public infrastructure, it could do so as long as it could prove that it needed such lines for Internet Access. With each passing year, more and more applicants, and particularly vendors, are taking advantage of this ruling and having such private-fiber WANs funded through the E-rate program.

While we may have concerns about the effect of this ruling both on the fund and on the build-out of the public infrastructure, we believe that too many applicants have entered into multi-year contracts to build WANs and lease them back to the applicants, and that changing this ruling now would be disastrous for those applicants' budgets and planning efforts. Therefore, we ask that any modification to the Tennessee decision be conditioned on the grand fathering of all existing contracts that were signed under the terms of the Tennessee decision, as it existed when the agreement was signed.

We note, however, that in some cases, schools leasing such WANs are doing so at a fraction of the cost of leasing the WAN from the public infrastructure and the Commission should consider this savings in their deliberations.

3) Eligibility of Bundled Content

We recommend that content remain an ineligible service and that the Commission require such costs to be broken out on bills. This is no different than any ineligible service being bundled with an eligible service. If the Commission permits such combinations, applicants and particularly providers will try to bundle hundreds of ineligible items with eligible items under the condition of, "it is impossible for us to unbundled them." We urge the Commission to not start down this slippery slope.

4) Continuation of 30% Processing Benchmark

We believe the current benchmarking threshold is fair and manageable and do not recommend changes to the current system. In addition, we believe that the online eligible products/services list greatly will reduce the ineligible items that applicants include on their applications, as schools definitively will know whether what they are applying for is eligible.

5) Right to Decide Discounts or Reimbursement

Next to PIA reviewer calls on Item 21 attachments, the funding process was cited by PA applicants as equally as frustrating. In limited circumstances, some applicants prefer to use the Billed Entity Applicant Reimbursement (BEAR) process, but in almost all other cases, applicants prefer and often plead for on-bill discounts as originally intended by the Commission. Although the Commission states that it is not clear who retains the ultimate decision of whether to place discounts on bills, the reality and clear unwritten rule is that it is the provider's decision and the applicant has no recourse. Without question, the decision to use discounts or reimbursement should be that of the applicant.

Requiring applicants to pay 100% of their bills, complete an additional form, track down someone at the providers' office to sign, mail to the SLD, wait for the BEAR approval, and then wait for the service provider to mail a separate check to the applicant is an enormous administrative burden that the Commission clearly wanted to avoid in its original Order.

In addition, upfronting 100% of the total cost of the service is quite difficult, if not impossible, for many applicants, as they only budgeted or were able to budget the non-discounted portion of the cost. We believe strongly that applicants should be permitted to make the final determination whether discounts or reimbursements are best for their financial and record-keeping situations.

6) Deadline for Providers to Remit BEAR Payments to Applicants

Currently, service providers certify on BEAR forms that they will remit payment to applicants within 10 days of receiving the check from USAC. But, as the Commission has acknowledged, the 10-day turnaround is rarely met.

First, we strongly believe that in instances where the BEAR form is submitted, the reimbursement should be remitted directly to the applicant and not via the service provider. Although we realize the Commission has indicated that such a transaction is prohibited by language in the Telecommunications Act of 1996, we do not believe that such explicit language exists. In fact, we have seen much greater latitude taken on other issues in the Act and believe that if so willing, the Commission could find the flexibility it needs to implement such direct remittance to applicants.

The current service provider certification on the Form 472 does nothing more than require the provider to acknowledge that they will remit payment to applicant upon receive of the reimbursement check from USAC. And because we believe there is no legal or logical basis for reimbursement checks to flow through the providers, we believe the service provider certification requirement should be deleted from the Form 472 and that checks be mailed directly to the applicant no more than 30 days from date of receipt by USAC.

In the unfortunate event that the Commission chooses to keep the burdensome provider-in-the-middle reimbursement process, we would like to note that no measures to give providers a more realistic turn-around time to remit payments to applicants will be successful unless and until the Commission establishes sizable penalties for noncompliance such as interest payments to the applicant, fines, etc.

On a related note, if the provider-in-the-middle reimbursement process continues, we also believe the Commission should establish deadlines and penalties for how long providers have to return BEAR signature pages. We have heard repeatedly from applicants who spent weeks making repeated calls to providers trying to get their BEAR form signed, thus just extending the time the school is without funding.

7) Transferring of Discounted Equipment

We agree with the Commission that a transfer/sales limitation of three years from date of delivery would prohibit applicants from applying for discounts on equipment for their highest-discount schools with the intention of simply moving that deeply discounted equipment to a school not deserving of discounted equipment. However, we believe this type of activity is very rare and that most such occurrences are done out of current technology needs of the applicant.

As a compromise, we suggest a time limit on moving or selling E-rate discounted equipment unless the applicant has received prior authorization from the SLD. In Pennsylvania, we have a similar policy for state grants, where an applicant may move funding from one budget category to another, thus purchasing a completely different piece of equipment or service, but first they must submit such a request in writing providing justification of the request and await Department of Education written approval. The approval then becomes part of the official file for that grant, both at the state and at the district-level, and provides coverage for the district during their school audits.

Whatever policy is finally made, it will come as a relief to most applicants. Currently there is no set policy for transfer of equipment, yet it is a major issue of investigation during the applicant audits. This creates the question, how can schools be audited for a policy that does not exist?

8) Application Restrictions on Internal Connections

We support restricting applicants from receiving discounts on Internal Connections for three years, and do so for two equally important reasons.

First, permitting applicants to pay pennies on the dollar for expensive internal connections equipment virtually creates an incentive for entities to continue to apply for additional, newer equipment year after year. In fact, there almost is a disincentive not to apply, as it seems like a sale that's too good to pass up. As such, high-discount applicants will continue to apply for funding, year after year, and be targeted by E-rate consultants that either have ties to internal connections companies or who receive their remuneration as a percentage of their E-rate savings.

Second, it is without question that there is a need to provide internal connections funding to applicants below the discount levels of recent years. In Pennsylvania alone, 268 school districts have discounts between 50% and 80%. Of those districts, 96 still have at least one school that does not have a high-speed Internet connection. It is these schools that are not wealthy enough to purchase internal connections from their own budgets, but who are not poor enough to receive Internal Connections discounts from E-rate in recent years, that are most in need of these discounts.

The prohibition should be site-specific, thus not to penalize an entire district for a school that has received funding in recent years. How to treat existing maintenance agreements should be considered thoroughly by the Commission before enacting such a prohibition.

While we support the prohibition on receiving internal connections every year, we strongly believe it must be considered in conjunction with two additional items:

a) The prohibition on transferring of E-rate discounted equipment.
To implement the application requirement without the transfer requirement could still perpetuate a situation where applicants continue to apply for equipment each year, but for a different high-discount school, and then just shuffle the equipment to a lower-discount school.

b) A change to the Discount Matrix.
We believe the Commission was very foresighted in their original Order when they granted permission to the administrator to make adjustments to the discount matrix if it believed that demand would exceed available funding. We now encourage the Commission to extend that original intention and actually make permanent adjustments to the matrix in order to provide additional funding to the lower discount applicants and to reduce waste, fraud and abuse by both applicants, service providers and, most importantly, consultants.

Adjustments to the discount matrix could be considered for both Priority 1 and Priority 2 services/equipment, although adjusting simply the discounts for Priority 2 services/equipment appears to be where the need for services and abuse is the greatest.

Several changes to the matrix could be considered, including an across-the-board x% discount, such as 50%, on internal connections, but first available to the highest discount entities. For example, all internal connections services and equipment would be discounted a flat rate of 50%, and such funding would be available first to the 90% discount applicants, then 89%, and so on.

Another option would be to have all discounts reduced by x%, such as 20 or 30%. For example, if an applicant has an 85% discount, their internal connections equipment would be discounted by 55%.

And yet a third option could be to prorate all internal connections requests, thus providing a portion of funding to all applicants that requested such services/equipment.

Any significant change to the matrix, coupled with the previous suggestions, will provide much needed infrastructure to the 50-80% discount applicants, and provide a disincentive to applicants that are applying for services they don't necessarily need.

9) Sharing Excess Bandwidth

We applaud the Commission for broaching this difficult issue, as it is one that many schools have raised

since the inception of the E-rate program. Their question is, in essence, what would be the harm of sharing unused bandwidth with community centers, for example, if no additional costs were incurred to the fund? In addition to the issue of wasted bandwidth, many networks and educational institutions are trying to provide an education environment where students can access files and work after the school doors close.

For example, in Pittsburgh, Pennsylvania, the eiNetwork is a regional network that has been trying to provide a seamless educational environment in order for students to leave school at regular time and go to a library or community center and gain access to the computer files stored on his/her school computer. To date, they have piloted this project between a few school districts and libraries with great success. However, students who, for example, live in public housing, cannot access their work because schools and libraries currently are not permitted to share access to the E-rate discounted network with community groups.

With the proper safeguards in place, we support the concept of being able to share E-rate discounted bandwidth with certain non-eligible entities during off-school hours as long as the bandwidth is used for educational purposes. Those safeguards, however, will be the key to ensuring that demand to the fund is not increased due to this provision, and that the entity does not initially request more than it needs for educational purposes.

We agree that these safeguards, as the Commission suggests, should include:

- That the school or library request only as much discounts for services as are reasonably necessary for educational purposes;
- The additional use would not impose any additional costs on the schools and libraries program;
- The services to be used by the community would be sold on the basis of a price that is not usage sensitive; and
- The use should be limited to times when the school is not using the services.

Further, we suggest the Commission consider that the entities receiving this excess bandwidth be non-profit entities and provide a robust educational program, and be considered on a case-by-case basis by the SLD. Of course, equipment needed to connect these entities to the network would not be E-rate eligible in any way. We also believe that if the scope is kept to educational purposes, excess library bandwidth only should be used for K-12 educational purposes.

As far as how to ensure that the fund is not adversely affected, we suggest a condition that applicants filing to share excess bandwidth show payment records from previous years as proof that their current

request was not increased because of their intention to share their bandwidth.

10) Extending Appeal Window

We thank the Commission for extending the deadline from the previous 30 days to the temporary 60 days as it has provided much needed relief for districts. We strongly encourage the Commission to make the longer appeal-period permanent.

In addition, we also strongly encourage the Commission to grant relief to districts who would like to file an appeal based on an SLD or Commission decision, but cannot do so because their appeal window has passed. On several occasions, applicants have found themselves caught in a situation where a decision was made that they could have benefited from, but they could not do so because they didn't have an appeal on file at the time. By the Commission making such decisions retroactive to any applicant during the funding year, applicants would be assured that they would not be penalized for a decision they knew nothing about during their appeal window. Perhaps a 60-day appeal window from the date of any Commission or administrator decision would provide such relief.

11) Funding Availability for Appeals

We believe that most appeals are due to two reasons -- applicants did not complete the application process correctly (presumably because the program's rules have become too complex), or applications were incorrectly denied by SLD.

Where appeals have been deemed meritorious, applications should be immediately and fully funded. Applicants should not be penalized for participating in the appeals process.

We believe the SLD should continue to set aside funds for potential appeals at the start of the funding process, and should meritorious appeal demand exceed available set-aside funding, carryover funds from previous years should fund appeals. If carryover funds are exhausted or non-existent, any funds made available through the Form 500 process during the current funding year should be made available for successful appeals.

12) Payment for Audits by Applicants and Providers

We understand why the Commission would want to place the cost of audits on entities suspected of serious waste, fraud or abusers, but we are concerned about who determines the definition of "serious". While it makes sense to charge the abusers of the program with the investigation, we worry that such a

decision eventually will lead to all audits being paid for by program participants. Would all Code-9 audits and investigations then be billed to the accused? What happens in the cases of applicants who were defrauded by a less-than-reputable consultant? Since most audits seem to involve the poorest eligible entities, these likely are the applicants that could not afford such costs.

13) Restricting Applicants, Providers and Others from Participation

While we think it may be difficult to ban certain individuals or entities because:

- Many times problems lie with certain individuals and not an entire company, or entity;
- Consultants simply begin another company under another name; or
- It will take too long to conduct an investigation and have them banned from the program,

We encourage the Commission to consider this action. Posting a "watch" list for these consultants or companies on the SLD website also may be a good step in alerting the applicant community that they should be cautious of these names. Such a ban or watch list in previous years may have saved applicants, the SLD and the fund a great deal of time and expense.

14) Yearly Unspent Funding

Unspent funds are inherent in any funding program, whether it be a grant or discount program. In Pennsylvania we see an annual return of funds that were not used through our grants. This is not to say that there is anything wrong with the grant program; in fact, it is healthy for districts to realize that they did not need all of the funding and return it to the Commonwealth.

We believe that there are unspent funds through the E-rate program for several reasons.

- High turnover in personnel at the district level that are responsible for completing the E-rate forms;
- Rules not allowing applicants to change or upgrade services;
- Application window so far in advance of funding year that it's difficult to anticipate costs, and districts' haven't gone through their March-May budget cycle yet;
- Previous rule not allowing a change of service providers;
- No previous mechanism for entities to return unspent funds; and
- Usage-sensitive long distance and Internet services must be estimated during the application process since usage varies month-to-month.

In addition, we believe the amount of committed, but unspent funds will grow for Year 4 because of so many applicants missing the new Children's' Internet Protection Act (CIPA) deadline. In many cases, applicants will lose at least 25% of their funding because they missed this deadline.

Keeping in mind that in some cases, unspent funds are inevitable and should not be viewed as a black mark on the program, we suggest these possible solutions:

- Allow entities to change or upgrade services during the funding year;
- Provide outreach to new E-rate coordinators during the entire funding year;
- Post a comprehensive list of deadlines on the SLD website in order for applicants to quickly view when forms, particularly when BEARS and SPIFs are due; and
- Move the CIPA certification to a form that is submitted prior to commitment, such as the Form 471.

We strongly believe that unused funds should be carried over to the following funding year, and agree with Commissioner Copps' dissent, which said, "In each year, the Administrator of the E-rate program collects funds up to the cap to meet demand. Yet, although initial estimates were that demand would not exceed the cap for nearly a decade, the program has been so successful that since the first year, requests from our nation's schools and libraries have exceeded the available funding. All funds, however, are not disbursed for a variety of administrative reasons or because individual schools and libraries do not fully use the money committed to them. Our rules were designed to ensure that funds would be used for their intended purpose or returned so that other deserving schools could benefit."

Since demand consistently outstrips available funding, it is not appropriate to offset collections with unspent E-rate funds to the telecommunications carriers. In addition, we are confused about the Commission's concerns about fully funding successful appeals given the funding scenario defined here. If a series of funds are consistently unused, those funds should be available for the appeals.

If, however, there still are unused funds, we believe that those monies should be returned to the Universal Service Fund to meet the demand for that funding year and subsequent years.

ADDITIONAL COMMENTS

While not specifically addressed in the NPRM, we would like to provide comment on the following additional issues that we believe would improve the program for both applicants and subsequently administrators.

15) Faster Turn-Around of Appeals

While we appreciate the SLD's and FCC's recent attempts to reduce the backlog of appeals from previous years, we still are concerned at the length of time it takes for any appeal to be considered and, if meritorious, ultimately funded. Receiving a funding commitment letter before the funding year begins is as imperative during the regular wave cycles as it is during the appeal process. Waiting a year for a funding commitment letter, which is the current reality, places applicants' technology planning efforts on hold and in many cases, is too late (thus resulting in some of the unspent funds the Commission is concerned about). We believe that in a program where applicants are given very narrow windows to file forms and appeals, there should be similar rules on appeal decisions and funding, such as 60 days for a decision and another 30 days for the funding commitment letter.

16) Eliminate 471, Block 3

One section of the Form 471 that creates questions among new applicants is the Block 3, survey information. While we understand the original intent of this section was to collect impact data of E-rate, we do not believe this data is at all accurate, consistent, or used by the SLD in any meaningful way. This section should be eliminated from the form.

17) Allow Split FRNs

The current program rules do not allow for the SLD or an applicant to split a funding request after it has been submitted on a Form 471. While we understand this rule likely is in place because of the limited capabilities of the backend operations, we strongly encourage the Commission and SLD to find a way to make this happen.

For example, it is unfortunate to see an applicant submit a Block 5 that contains both mixed bucket services. When contacted by PIA, they are told they must forfeit funding for a portion of the request because the rules stipulate that mixed bucket requests are not permitted. Likewise, when an applicant needs to change service providers, they are required to forfeit funding for one service or another when they applied for a bundled service and the new provider cannot offer such a bundle. By allowing an applicant to split the funding request, they could retain all of their entitled-to funding, but simply have it go to two different providers.

18) Provide for Appeals Tracking

In order to provide appellants with the peace-of-mind that their appeal has not been forgotten, we suggest the SLD create a function on its website that lists when an appeal was filed, and its current status, such as under review, decision rendered, funding commitment pending, or funding commitment made. Tracking of the 471 applications has provided a great peace-of-mind for applicants, and a similar system for appellants is needed.

19) Allow for All 486 Functions to be Made on Form 471, Thus Making Form 486 Optional

As the Form 486 exists today, it serves three purposes: tell the SLD to 'turn-on-funding', indicate who approved the technology plan, and certify they are CIPA compliant. We agree with the Year 3 E-rate Task Force who recommended that the 486 functions become integrated with the 471, and if the applicant so chooses, they could simply provide all of the information on the 471 and not be required to submit the 486. The 486, of course, would remain as a usable form for entities that were not yet CIPA compliant, did not yet have an approved technology plan, or did not wish for the SLD to automatically pay any invoices that were received. By making the 486 optional, it would create significant timesavings to both the applicant as well as the SLD.

20) Rural/Urban Designations

We believe the Commission originally created the discount matrix with an urban and rural column because it is believed that services cost more in rural areas. While we completely agree that the cost for services in remote areas may be higher, we have disagreed, and continue to disagree with the Commission's current determination of which schools and libraries are considered rural and which are considered urban.

Currently, the rules state that designations are made by using the Metropolitan Statistical Area (MSA) codes which basically say that if your county is located in or near a city or largely populated area, your entire county is deemed to be urban. As Pennsylvania has commented in several previous filings, this classification is seriously flawed because it inaccurately classifies more than 10 of Pennsylvania's 67 counties as urban.

We further are concerned, as we have learned that the Office of Management and Budget has adopted and will be replacing the current MSAs with a dramatically new definition of metro and non-metro. There soon will be three separate categories: 1) Metropolitan Statistical Areas, 2) Micropolitan Statistical Areas - collectively called Core Based Statistical Areas and 3) Areas Outside Core Based Statistical Areas. Our

analysis of the new regulations, which take effect in 2003, indicates the new classifications only will further exacerbate the current misclassification of rural/urban counties under the E-rate program.

If the Commission truly is interested in providing deeper discounts to schools and libraries in areas where costs are higher, we encourage them to find a better definition of high-cost. Until such a solution is found, we believe the Commission should permit applicants to file for exemptions from their urban misclassification in order to receive the additional 10% E-rate discount, or the Commission should combine the urban and rural columns from the discount matrix and simply use one discount for all entities. To continue to disenfranchise misclassified schools and libraries without permitting any process for appeal is not fair to the hundreds of entities in these affected counties nationwide.

21) Eliminate 470 Requirement

While we understood the Commission's original intent of requiring an entity to competitively bid the services for which they were seeking discounts, four years' experience has proven that most entities do not receive viable bids as a result of their Form 470 postings. In fact, most entities do not receive bids from their incumbent providers, let alone from competitors. The Form 470, unfortunately, has become a mechanism by which any vendor – from technology to stadium bleachers – can access the phone, fax and/or e-mail address of 36,000 entities. These solicitations usually have absolutely nothing to do with the services requested on the 470 and the form's contact is left spending valuable time trying to get off e-mail lists, fax lists or the phone.

We propose the competitive bidding requirement become a certification on the Form 471 which states that they have complied with all state and local competitive bidding requirements. In many cases, such laws are quite stringent and already provide the necessary safeguards to ensure that the vendors selected are offering the best rates and service.

22) Permit Changes or Upgrades to Service in Mid-Year

We strongly encourage the Commission to broaden the current service change policies. Currently, applicants can only change services in the most very narrow of circumstances, and are prohibited from upgrading such services in mid-funding year. Because of the current policy, applicants' hands are tied from implementing technologies they need, and subsequently, additional funding goes unspent for that funding year.

Given the significant delay between the filing of the Form 471 and the receipt of services, the prices of services and equipment may have changed, and/or newer products with similar or better functionalities

may be available. In addition, additional funding may have become available through other sources, enabling the purchase of greater bandwidth or services.

We believe the Commission should permit applicants to upgrade their services or equipment in mid-funding year. As long as their funding commitment cap was not exceeded, applicants should not be penalized for investing in greater bandwidth, for example, simply because they need to wait until the following funding year. A written notice to the SLD, which describes the change/substitution, should be permitted. And as long as the upgrade or change was permitted under local or state procurement rules, the change would be permitted. Again, this scenario is very similar to the budget/contract revisions that are permitted under Pennsylvania program guidelines, where an applicant simply sends a request to the Department, and upon approval, a written approval is sent to the grant awardee and kept with the official state file for audit purposes.

23) Provide Outreach Throughout Funding Year

With a program as vast and complex as E-rate, constant education of both the applicant and vendor communities is needed. Pennsylvania estimates that annually there are 40-50% new E-rate contacts for reasons that range from turnover in personnel, new schools being created or learning of the program, or responsibilities being shifted within the district. While many states have designated a state E-rate coordinator to assist with day-to-day questions and troubleshooting, we believe there should be year-round education by the SLD on various segments of the program. Ideally, national outreach on the Forms 470 and 471 would have been done from August – December, with follow-up outreach on the Forms 486 and 472 occurring during the months of April – August. And certainly, when any rules or changes to the program are made, a new series of outreach would occur.

We realize that the Commission has attempted to keep personnel and administrative costs to a minimum, but we believe that an investment in education on the front-end will result in vast savings in administrative work in both application and appeal review on the backend. We also believe that if applicants are better educated, they are less likely to consider the sales pitch of disreputable vendors and consultants.

24) Improve SLD Website and Clearly List Program Deadlines

Although we have many suggestions on ways to improve the look and navigation of the current SLD website, and have submitted such recommendations to the SLD, information remains difficult to find, if posted at all. The area of the website that should be the easiest to navigate and is likely the most important to applicants is the Reference Area, yet this section remains organized in an alphabetical order

and not by topic. We recommend that the reference area be listed by topic, such as SPINs, BEARs, Eligible Services, Consortia, etc.

In addition, there is no area that specifically lists what the deadlines are for each form and requirement of the program. With the introduction of the 15-month installation window, the 486 CIA deadlines, and new BEAR and SIN change deadlines, applicants have no way of knowing what is due when. In fact, even the most seasoned E-rate veteran or state coordinator cannot keep track of ending deadlines. We strongly encourage the Commission to instruct the SLD to post a deadlines section to their website immediately.

Heading into the fifth year of the program, the website's search function also is not operational. If information is going to continue to be provided primarily to applicants and service providers via the website, and not directly to applicants, we believe the search function should be operational.

Updates are posted to the front page of the website, and quickly archived in the 'What's New' section. While we appreciate the archiving of these notices, putting them in the archives by month and year provides no real assistance to applicants, as they must send valuable time clicking on every month of every year to find the information they are searching for.

And finally, we believe there should be a section devoted specifically to major appeal decisions. If applicants are to be thoroughly knowledgeable about the rules of the program and have the slightest chance to file appeals based on previous appeal decision, timely posting of major appeals is imperative.

25) Consider Future NPRM

And finally, we strongly encourage the Commission to consider releasing a subsequent NPRM that addresses the broader issues not contained in this focused NPRM, including how the program should be administered. There are many varying opinions on whether a federally administered discount program is the most cost-effective and streamlined way to provide funding to schools and libraries, and we believe a discussion of the pros and cons of such opinions would be advantageous to all.

Respectfully submitted,

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